

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

**Proposing rule making related to housing renewal pilot program
and providing an opportunity for public comment**

The Iowa Finance Authority hereby proposes to adopt new Chapter 47, “Housing Renewal Pilot Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 16.5.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2022 Iowa Acts, House File 2564.

Purpose and Summary

The purpose of this proposed rule making is to implement 2022 Iowa Acts, House File 2564, division III, which created a Housing Renewal Pilot Program and Housing Renewal Program Fund within the Authority. The legislation authorized the Authority to allocate funds to a nonprofit Iowa affiliate that is to award grants to eligible participants. The legislation defined eligible activities for program funds as the acquisition, rehabilitation, and resale of ownership units; the acquisition and demolition of blighted structures; and the redevelopment of ownership units. The legislation also set forth additional requirements for the administration of the program and the use of funds.

This proposed rule making describes the operation of the program by defining relevant terms, establishing requirements related to agreements, and establishing a reporting requirement to assist with the preparation of the report required in division III of the legislation.

Fiscal Impact

This proposed rule making has no known fiscal impact to the State of Iowa beyond that of the legislation it is intended to implement. 2022 Iowa Acts, House File 2564, creates a new General Fund appropriation for FY 2023. Division III of House File 2564 appropriated \$500,000 to the Authority for the Housing Renewal Pilot Program. Division III also permits the Authority to use no more than 5 percent of the moneys allocated to the Housing Renewal Pilot Program for administration and oversight of the program.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on January 31, 2023. Comments should be directed to:

Kristin Hanks-Bents
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.452.0404
Email: kristin.hanks-bents@iowafinance.com

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Adopt the following **new** 265—Chapter 47:

CHAPTER 47 HOUSING RENEWAL PILOT PROGRAM

265—47.1(89GA, HF2564) Purpose. Pursuant to 2022 Iowa Acts, House File 2564, division III, a housing renewal program fund is established under the control of the Iowa finance authority. The authority shall provide moneys from the fund to a nonprofit Iowa affiliate to award grants under the program. Grantees shall use the funds for the purpose of investing in housing rehabilitation and redevelopment for resale to an income-qualified buyer who occupies the home as the buyer’s primary residence.

265—47.2(89GA, HF2564) Definitions.

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1A.

“*Eligible participant*” means a city, a county, a consortium of local governments, or an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code with whom a nonprofit affiliate elects to partner.

“*Grantee*” means an eligible participant awarded a grant under the program.

“*Nonprofit Iowa affiliate*” or “*nonprofit affiliate*” means a nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for use by low-income families.

“*Redevelopment*” means activities including new construction of housing on vacant or demolished properties on infill lots or the conversion of property from a nonresidential use to housing.

“*Rehabilitation*” means renovation, remodeling and repair of existing housing units for continued residential use.

265—47.3(89GA, HF2564) Agreement.

47.3(1) The authority will prepare an agreement between the authority and the nonprofit affiliate. The agreement may include terms and conditions reasonably necessary for implementation of the program pursuant to this chapter and 2022 Iowa Acts, House File 2564.

47.3(2) Any substantive change to the nonprofit affiliate's proposed uses of funds shall require an amendment to the agreement. Amendments shall be requested in writing. No amendment shall be valid until approved by the authority.

47.3(3) The nonprofit affiliate must prepare an agreement for each project approved for an award. The agreement will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter and 2022 Iowa Acts, House File 2564. The nonprofit affiliate and the grantee must execute an agreement before funds are disbursed by the nonprofit affiliate. The nonprofit affiliate must provide a copy of each agreement executed by the affiliate and a grantee to the authority within 30 days of execution.

265—47.4(89GA, HF2564) Reporting.

47.4(1) The nonprofit affiliate must submit a report to the authority on or before November 30 of each year.

47.4(2) In addition to the requirements described in 2022 Iowa Acts, House File 2564, division III, the nonprofit affiliate must report on each of the following:

- a.* A description of each grantee's project and grantee's progress toward completion of its projects.
 - b.* The sale price and sale closing date of each ownership unit.
 - c.* The income level of each homebuyer purchasing an ownership unit.
 - d.* The street address, city, zip code and county of each ownership unit.
 - e.* The amount of funds awarded to each grantee.
 - f.* The amount of funds expended by each grantee.
 - g.* The amount of funds obligated by each grantee.
 - h.* The amount of funds leveraged by each grantee.
 - i.* Any other information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the general assembly or the governor's office.
- These rules are intended to implement 2022 Iowa Acts, House File 2564, division III.